

1 **SHB 2969** - H AMD Failed March 1, 2002

2 By Representative \_\_\_\_

3 Beginning on page 1, line 11, strike the entire  
4 amendment and insert the following:

5 **"PART I - COMBINED LICENSING FEE**

6 **Sec. 101.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to  
7 read as follows:

8 (1) In lieu of all other vehicle licensing fees, unless  
9 specifically exempt, and in addition to (~~the excise tax prescribed in~~  
10 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and  
11 stages in RCW 46.16.125, there shall be paid and collected annually for  
12 each truck, motor truck, truck tractor, road tractor, tractor, bus,  
13 auto stage, or for hire vehicle with seating capacity of more than six,  
14 based upon the declared combined gross weight or declared gross weight  
15 (~~thereof~~)) pursuant to the provisions of chapter 46.44 RCW, the  
16 following licensing fees by such gross weight:

17	(DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
18	4,000 lbs. ....	\$ 37.00 .....	\$ 37.00
19	6,000 lbs. ....	\$ 44.00 .....	\$ 44.00
20	8,000 lbs. ....	\$ 55.00 .....	\$ 55.00
21	10,000 lbs. ....	\$ 62.00 .....	\$ 62.00
22	12,000 lbs. ....	\$ 72.00 .....	\$ 72.00
23	14,000 lbs. ....	\$ 82.00 .....	\$ 82.00
24	16,000 lbs. ....	\$ 92.00 .....	\$ 92.00
25	18,000 lbs. ....	\$ 137.00 .....	\$ 137.00
26	20,000 lbs. ....	\$ 152.00 .....	\$ 152.00
27	22,000 lbs. ....	\$ 164.00 .....	\$ 164.00
28	24,000 lbs. ....	\$ 177.00 .....	\$ 177.00
29	26,000 lbs. ....	\$ 187.00 .....	\$ 187.00
30	28,000 lbs. ....	\$ 220.00 .....	\$ 220.00
31	30,000 lbs. ....	\$ 253.00 .....	\$ 253.00
32	32,000 lbs. ....	\$ 304.00 .....	\$ 304.00
33	34,000 lbs. ....	\$ 323.00 .....	\$ 323.00
34	36,000 lbs. ....	\$ 350.00 .....	\$ 350.00
35	38,000 lbs. ....	\$ 384.00 .....	\$ 384.00
36	40,000 lbs. ....	\$ 439.00 .....	\$ 439.00
37	42,000 lbs. ....	\$ 456.00 .....	\$ 546.00

1	44,000 lbs.	\$ 466.00	\$ 556.00
2	46,000 lbs.	\$ 501.00	\$ 591.00
3	48,000 lbs.	\$ 522.00	\$ 612.00
4	50,000 lbs.	\$ 566.00	\$ 656.00
5	52,000 lbs.	\$ 595.00	\$ 685.00
6	54,000 lbs.	\$ 642.00	\$ 732.00
7	56,000 lbs.	\$ 677.00	\$ 767.00
8	58,000 lbs.	\$ 704.00	\$ 794.00
9	60,000 lbs.	\$ 750.00	\$ 840.00
10	62,000 lbs.	\$ 804.00	\$ 894.00
11	64,000 lbs.	\$ 822.00	\$ 912.00
12	66,000 lbs.	\$ 915.00	\$ 1,005.00
13	68,000 lbs.	\$ 954.00	\$ 1,044.00
14	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
15	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
16	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
17	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
18	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
19	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
20	82,000 lbs.	\$ 1,623.00	\$ 1,713.00
21	84,000 lbs.	\$ 1,728.00	\$ 1,818.00
22	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
23	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
24	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
25	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
26	94,000 lbs.	\$ 2,253.00	\$ 2,343.00
27	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
28	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
29	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
30	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
31	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
32	105,500 lbs.	\$ 2,883.00	<del>\$ 2,973.00</del>

33		<u>Effective</u>			
34	<u>Gross</u>	<u>October 1, 2002.</u>		<u>Effective</u>	
35	<u>Weight</u>	<u>through September 30, 2003</u>		<u>October 1, 2003</u>	
36		<u>Schedule A</u>	<u>Schedule B</u>	<u>Schedule A</u>	<u>Schedule B</u>
37	<u>4,000</u>	<u>\$37</u>	<u>\$37</u>	<u>\$37</u>	<u>\$37</u>
38	<u>6,000</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>
39	<u>8,000</u>	<u>55</u>	<u>55</u>	<u>55</u>	<u>55</u>
40	<u>10,000</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>62</u>
41	<u>12,000</u>	<u>77</u>	<u>77</u>	<u>81</u>	<u>81</u>
42	<u>14,000</u>	<u>88</u>	<u>88</u>	<u>93</u>	<u>93</u>
43	<u>16,000</u>	<u>99</u>	<u>99</u>	<u>105</u>	<u>105</u>
44	<u>18,000</u>	<u>148</u>	<u>148</u>	<u>159</u>	<u>159</u>
45	<u>20,000</u>	<u>165</u>	<u>165</u>	<u>177</u>	<u>177</u>

1	<u>22,000</u>	<u>178</u>	<u>178</u>	<u>192</u>	<u>192</u>
2	<u>24,000</u>	<u>192</u>	<u>192</u>	<u>207</u>	<u>207</u>
3	<u>26,000</u>	<u>203</u>	<u>203</u>	<u>219</u>	<u>219</u>
4	<u>28,000</u>	<u>239</u>	<u>239</u>	<u>259</u>	<u>259</u>
5	<u>30,000</u>	<u>276</u>	<u>276</u>	<u>298</u>	<u>298</u>
6	<u>32,000</u>	<u>332</u>	<u>332</u>	<u>360</u>	<u>360</u>
7	<u>34,000</u>	<u>353</u>	<u>353</u>	<u>382</u>	<u>382</u>
8	<u>36,000</u>	<u>382</u>	<u>382</u>	<u>415</u>	<u>415</u>
9	<u>38,000</u>	<u>420</u>	<u>420</u>	<u>456</u>	<u>456</u>
10	<u>40,000</u>	<u>480</u>	<u>480</u>	<u>522</u>	<u>522</u>
11	<u>42,000</u>	<u>499</u>	<u>589</u>	<u>542</u>	<u>632</u>
12	<u>44,000</u>	<u>510</u>	<u>600</u>	<u>554</u>	<u>644</u>
13	<u>46,000</u>	<u>549</u>	<u>639</u>	<u>596</u>	<u>686</u>
14	<u>48,000</u>	<u>572</u>	<u>662</u>	<u>621</u>	<u>711</u>
15	<u>50,000</u>	<u>620</u>	<u>710</u>	<u>674</u>	<u>764</u>
16	<u>52,000</u>	<u>652</u>	<u>742</u>	<u>709</u>	<u>799</u>
17	<u>54,000</u>	<u>704</u>	<u>794</u>	<u>765</u>	<u>855</u>
18	<u>56,000</u>	<u>742</u>	<u>832</u>	<u>807</u>	<u>897</u>
19	<u>58,000</u>	<u>772</u>	<u>862</u>	<u>840</u>	<u>930</u>
20	<u>60,000</u>	<u>822</u>	<u>912</u>	<u>895</u>	<u>985</u>
21	<u>62,000</u>	<u>882</u>	<u>972</u>	<u>960</u>	<u>1,050</u>
22	<u>64,000</u>	<u>902</u>	<u>992</u>	<u>981</u>	<u>1,071</u>
23	<u>66,000</u>	<u>1,004</u>	<u>1,094</u>	<u>1,093</u>	<u>1,183</u>
24	<u>68,000</u>	<u>1,047</u>	<u>1,137</u>	<u>1,140</u>	<u>1,230</u>
25	<u>70,000</u>	<u>1,127</u>	<u>1,217</u>	<u>1,227</u>	<u>1,317</u>
26	<u>72,000</u>	<u>1,205</u>	<u>1,295</u>	<u>1,312</u>	<u>1,402</u>
27	<u>74,000</u>	<u>1,310</u>	<u>1,400</u>	<u>1,426</u>	<u>1,516</u>
28	<u>76,000</u>	<u>1,415</u>	<u>1,505</u>	<u>1,542</u>	<u>1,632</u>
29	<u>78,000</u>	<u>1,545</u>	<u>1,635</u>	<u>1,683</u>	<u>1,773</u>
30	<u>80,000</u>	<u>1,667</u>	<u>1,757</u>	<u>1,816</u>	<u>1,906</u>
31	<u>82,000</u>	<u>1,783</u>	<u>1,873</u>	<u>1,942</u>	<u>2,032</u>
32	<u>84,000</u>	<u>1,898</u>	<u>1,988</u>	<u>2,068</u>	<u>2,158</u>
33	<u>86,000</u>	<u>2,014</u>	<u>2,104</u>	<u>2,194</u>	<u>2,284</u>
34	<u>88,000</u>	<u>2,129</u>	<u>2,219</u>	<u>2,320</u>	<u>2,410</u>
35	<u>90,000</u>	<u>2,245</u>	<u>2,335</u>	<u>2,446</u>	<u>2,536</u>
36	<u>92,000</u>	<u>2,360</u>	<u>2,450</u>	<u>2,572</u>	<u>2,662</u>
37	<u>94,000</u>	<u>2,476</u>	<u>2,566</u>	<u>2,698</u>	<u>2,788</u>
38	<u>96,000</u>	<u>2,591</u>	<u>2,681</u>	<u>2,824</u>	<u>2,914</u>
39	<u>98,000</u>	<u>2,707</u>	<u>2,797</u>	<u>2,950</u>	<u>3,040</u>
40	<u>100,000</u>	<u>2,822</u>	<u>2,912</u>	<u>3,076</u>	<u>3,166</u>
41	<u>102,000</u>	<u>2,938</u>	<u>3,028</u>	<u>3,202</u>	<u>3,292</u>
42	<u>104,000</u>	<u>3,053</u>	<u>3,143</u>	<u>3,328</u>	<u>3,418</u>
43	<u>105,500</u>	<u>3,169</u>	<u>3,259</u>	<u>3,454</u>	<u>3,544</u>

44 Schedule A applies to vehicles either used exclusively for hauling  
45 logs or that do not tow trailers. Schedule B applies to vehicles that  
46 tow trailers and are not covered under Schedule A.

47 (2) Every truck, motor truck, truck tractor, and tractor exceeding  
48 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,

1 or 46.88 RCW shall be licensed for not less than one hundred fifty  
2 percent of its empty weight unless the amount would be in excess of the  
3 legal limits prescribed for such a vehicle in RCW 46.44.041 or  
4 46.44.042, in which event the vehicle shall be licensed for the maximum  
5 weight authorized for such a vehicle or unless the vehicle is used only  
6 for the purpose of transporting any well drilling machine, air  
7 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,  
8 tool house, bunk house, or similar machine or structure attached to or  
9 made a part of such vehicle.

10 (3) The following provisions apply when increasing gross or  
11 combined gross weight for a vehicle licensed under this section:

12 (a) The new license fee will be one-twelfth of the fee listed above  
13 for the new gross weight, multiplied by the number of months remaining  
14 in the period for which licensing fees have been paid, including the  
15 month in which the new gross weight is effective.

16 (b) Upon surrender of the current certificate of registration or  
17 cab card, the new licensing fees due shall be reduced by the amount of  
18 the licensing fees previously paid for the same period for which new  
19 fees are being charged.

20 (~~((2))~~) (4) The proceeds from the fees collected under (~~(subsection~~  
21 ~~(1) of~~) this section shall be distributed in accordance with RCW  
22 46.68.035.

23 **Sec. 102.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each  
24 amended to read as follows:

25 All proceeds from combined vehicle licensing fees received by the  
26 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall  
27 be forwarded to the state treasurer to be distributed into accounts  
28 according to the following method:

29 (1) The sum of two dollars for each vehicle shall be deposited into  
30 the multimodal transportation account, except that for each vehicle  
31 registered by a county auditor or agent to a county auditor pursuant to  
32 RCW 46.01.140, the sum of two dollars shall be credited to the current  
33 county expense fund.

34 (2) The remainder shall be distributed as follows:

35 (a) 23.677 percent of the proceeds collected on the rate in effect  
36 September 30, 2002, shall be deposited into the state patrol highway  
37 account of the motor vehicle fund;

1 (b) 1.521 percent of the proceeds collected on the rate in effect  
2 September 30, 2002, shall be deposited into the Puget Sound ferry  
3 operations account of the motor vehicle fund; ((and))

4 (c) ~~((The remaining))~~ 74.802 percent of the proceeds collected on  
5 the rate in effect on September 30, 2002, shall be deposited into the  
6 motor vehicle fund; and

7 (d) The remaining proceeds collected on the difference between the  
8 current rate and the rate in effect on September 30, 2002, shall be  
9 deposited in the freight mobility strategic investment account.

10 **PART II - FUEL TAX**

11 **Sec. 201.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are  
12 each reenacted and amended to read as follows:

13 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon  
14 ~~((shall apply))~~ applies to the sale, distribution, or use of motor  
15 vehicle fuel.

16 (2) Beginning October 1, 2002, an additional and cumulative motor  
17 vehicle fuel tax rate of four cents per gallon applies to the sale,  
18 distribution, or use of motor vehicle fuel.

19 (3) Beginning April 1, 2003, an additional and cumulative motor  
20 vehicle fuel tax rate of three cents per gallon applies to the sale,  
21 distribution, or use of motor vehicle fuel.

22 **Sec. 202.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are  
23 each reenacted and amended to read as follows:

24 (1) All moneys that have accrued or may accrue to the motor vehicle  
25 fund from the motor vehicle fuel tax and special fuel tax shall be  
26 first expended for purposes enumerated in (a) and (b) of this  
27 subsection. The remaining net tax amount shall be distributed monthly  
28 by the state treasurer in ~~((the proportions set forth in (c) through~~  
29 ~~(1) of this))~~ accordance with subsections (2) through (4) of this  
30 section.

31 (a) For payment of refunds of motor vehicle fuel tax and special  
32 fuel tax that has been paid and is refundable as provided by law;

33 (b) For payment of amounts to be expended pursuant to  
34 appropriations for the administrative expenses of the offices of state  
35 treasurer, state auditor, and the department of licensing of the state

1 of Washington in the administration of the motor vehicle fuel tax and  
2 the special fuel tax, which sums shall be distributed monthly(~~(+)~~).

3 ~~((+e))~~ (2) All of the remaining net tax amount collected under RCW  
4 82.36.025(1) and 82.38.030(1) must be distributed in the proportions  
5 set forth in (a) through (j) of this subsection.

6 (a) For distribution to the motor vehicle fund an amount equal to  
7 44.387 percent to be expended for highway purposes of the state, as  
8 defined in RCW 46.68.130;

9 ~~((+d))~~ (b) For distribution to the special category C account,  
10 hereby created in the motor vehicle fund, an amount equal to 3.2609  
11 percent to be expended for special category C projects. Special  
12 category C projects are category C projects that, due to high cost  
13 only, will require bond financing to complete construction.

14 The following criteria, listed in order of priority, shall be used  
15 in determining which special category C projects have the highest  
16 priority:

17 (i) Accident experience;

18 (ii) Fatal accident experience;

19 (iii) Capacity to move people and goods safely and at reasonable  
20 speeds without undue congestion; and

21 (iv) Continuity of development of the highway transportation  
22 network.

23 Moneys deposited in the special category C account in the motor  
24 vehicle fund may be used for payment of debt service on bonds the  
25 proceeds of which are used to finance special category C projects under  
26 this subsection ~~((+1)(d))~~ (2)(b);

27 ~~((+e))~~ (c) For distribution to the Puget Sound ferry operations  
28 account in the motor vehicle fund an amount equal to 2.3283 percent;

29 ~~((+f))~~ (d) For distribution to the Puget Sound capital  
30 construction account in the motor vehicle fund an amount equal to  
31 2.3726 percent;

32 ~~((+g))~~ (e) For distribution to the urban arterial trust account in  
33 the motor vehicle fund an amount equal to 7.5597 percent;

34 ~~((+h))~~ (f) For distribution to the transportation improvement  
35 account in the motor vehicle fund an amount equal to 5.6739 percent and  
36 expended in accordance with RCW 47.26.086;

37 ~~((+i))~~ (g) For distribution to the cities and towns from the motor  
38 vehicle fund an amount equal to 10.6961 percent in accordance with RCW  
39 46.68.110;

1       (~~(j)~~) (h) For distribution to the counties from the motor vehicle  
2 fund an amount equal to 19.2287 percent: (i) Out of which there shall  
3 be distributed from time to time, as directed by the department of  
4 transportation, those sums as may be necessary to carry out the  
5 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
6 the county road administration board to implement the provisions of RCW  
7 47.56.725(4), with the balance of such county share to be distributed  
8 monthly as the same accrues for distribution in accordance with RCW  
9 46.68.120;

10       (~~(k)~~) (i) For distribution to the county arterial preservation  
11 account, hereby created in the motor vehicle fund an amount equal to  
12 1.9565 percent. These funds shall be distributed by the county road  
13 administration board to counties in proportions corresponding to the  
14 number of paved arterial lane miles in the unincorporated area of each  
15 county and shall be used for improvements to sustain the structural,  
16 safety, and operational integrity of county arterials. The county road  
17 administration board shall adopt reasonable rules and develop policies  
18 to implement this program and to assure that a pavement management  
19 system is used;

20       (~~(l)~~) (j) For distribution to the rural arterial trust account in  
21 the motor vehicle fund an amount equal to 2.5363 percent and expended  
22 in accordance with RCW 36.79.020.

23       (~~(2)~~) (3) All the remaining net tax amount collected under the  
24 additional tax rates levied under RCW 82.36.025 (2) and (3) and  
25 82.38.030 (2) and (3) must be distributed to the motor vehicle fund.

26       (4) Nothing in this section or in RCW 46.68.130 may be construed so  
27 as to violate any terms or conditions contained in any highway  
28 construction bond issues now or hereafter authorized by statute and  
29 whose payment is by such statute pledged to be paid from any excise  
30 taxes on motor vehicle fuel and special fuels.

31       NEW SECTION. Sec. 203. A new section is added to chapter 46.68  
32 RCW to read as follows:

33       There is hereby created the freight mobility strategic investment  
34 account. All money deposited in the account shall be used by the  
35 department of transportation for:

36       (1) Improving the freight transportation highway system by  
37 constructing projects selected by the freight mobility strategic  
38 investment board.

1 (2) The department may pledge any money in the freight mobility  
2 strategic investment account for debt service on bonds issued to  
3 finance projects authorized under subsection (1) of this section.

4 (3) Money in the freight mobility strategic investment account of  
5 the motor vehicle fund that is not required by the department for  
6 payment of principal or interest on bond issues or for any of the other  
7 purposes authorized in this section may be invested by the treasurer in  
8 bonds and obligations of the nature eligible for the investment of  
9 current state funds as provided in RCW 43.84.080.

10 **Sec. 204.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to  
11 read as follows:

12 (1) There is hereby levied and imposed upon special fuel users a  
13 tax at the rate (~~computed in the manner provided in RCW 82.36.025 on~~  
14 ~~each~~) of twenty-three cents per gallon of special fuel, or each one  
15 hundred cubic feet of compressed natural gas, measured at standard  
16 pressure and temperature.

17 (2) Beginning October 1, 2002, an additional and cumulative special  
18 fuel tax rate of four cents per gallon of special fuel, or each one  
19 hundred cubic feet of compressed natural gas, measured at standard  
20 pressure and temperature is imposed on special fuel users.

21 (3) February 27, 2002, Beginning April 1, 2003, an additional and  
22 cumulative special fuel tax rate of three cents per gallon of special  
23 fuel, or each one hundred cubic feet of compressed natural gas,  
24 measured at standard pressure and temperature is imposed on special  
25 fuel users.

26 (5) The tax (~~imposed by subsection (1) of this section~~) is  
27 imposed when:

28 (a) Special fuel is removed in this state from a terminal if the  
29 special fuel is removed at the rack unless the removal is to a licensed  
30 exporter for direct delivery to a destination outside of the state, or  
31 the removal is to a special fuel distributor for direct delivery to an  
32 international fuel tax agreement licensee under RCW 82.38.320;

33 (b) Special fuel is removed in this state from a refinery if either  
34 of the following applies:

35 (i) The removal is by bulk transfer and the refiner or the owner of  
36 the special fuel immediately before the removal is not a licensee; or

37 (ii) The removal is at the refinery rack unless the removal is to  
38 a licensed exporter for direct delivery to a destination outside of the

1 state, or the removal is to a special fuel distributor for direct  
2 delivery to an international fuel tax agreement licensee under RCW  
3 82.38.320;

4 (c) Special fuel enters into this state for sale, consumption, use,  
5 or storage if either of the following applies:

6 (i) The entry is by bulk transfer and the importer is not a  
7 licensee; or

8 (ii) The entry is not by bulk transfer;

9 (d) Special fuel is sold or removed in this state to an unlicensed  
10 entity unless there was a prior taxable removal, entry, or sale of the  
11 special fuel;

12 (e) Blended special fuel is removed or sold in this state by the  
13 blender of the fuel. The number of gallons of blended special fuel  
14 subject to tax is the difference between the total number of gallons of  
15 blended special fuel removed or sold and the number of gallons of  
16 previously taxed special fuel used to produce the blended special fuel;

17 (f) Dyed special fuel is used on a highway, as authorized by the  
18 internal revenue code, unless the use is exempt from the special fuel  
19 tax;

20 (g) Special fuel purchased by an international fuel tax agreement  
21 licensee under RCW 82.38.320 is used on a highway; and

22 (h) Special fuel is sold by a licensed special fuel supplier to a  
23 special fuel distributor, special fuel importer, or special fuel  
24 blender and the special fuel is not removed from the bulk transfer-  
25 terminal system.

26 ~~((+3+))~~ (6) The tax imposed by this chapter, if required to be  
27 collected by the licensee, is held in trust by the licensee until paid  
28 to the department, and a licensee who appropriates or converts the tax  
29 collected to his or her own use or to any use other than the payment of  
30 the tax to the extent that the money required to be collected is not  
31 available for payment on the due date as prescribed in this chapter is  
32 guilty of a felony, or gross misdemeanor in accordance with the theft  
33 and anticipatory provisions of Title 9A RCW. A person, partnership,  
34 corporation, or corporate officer who fails to collect the tax imposed  
35 by this section, or who has collected the tax and fails to pay it to  
36 the department in the manner prescribed by this chapter, is personally  
37 liable to the state for the amount of the tax.

1           **Sec. 205.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to  
2 read as follows:

3           (1) A licensed supplier shall remit tax on special fuel to the  
4 department as provided in RCW 82.38.030(~~((+2))~~) (5)(a). On a two-party  
5 exchange, or buy-sell agreement between two licensed suppliers, the  
6 receiving exchange partner or buyer shall remit the tax.

7           (2) A refiner shall remit tax to the department on special fuel  
8 removed from a refinery as provided in RCW 82.38.030(~~((+2))~~) (5)(b).

9           (3) An importer shall remit tax to the department on special fuel  
10 imported into this state as provided in RCW 82.38.030(~~((+2))~~) (5)(c).

11           (4) A blender shall remit tax to the department on the removal or  
12 sale of blended special fuel as provided in RCW 82.38.030(~~((+2))~~)  
13 (5)(e).

14           (5) A dyed special fuel user shall remit tax to the department on  
15 the use of dyed special fuel as provided in RCW 82.38.030(~~((+2))~~)  
16 (5)(f).

17           **Sec. 206.** RCW 82.38.045 and 1998 c 176 s 54 are each amended to  
18 read as follows:

19           A terminal operator is jointly and severally liable for remitting  
20 the tax imposed under RCW 82.38.030(~~((+1))~~) if, at the time of removal:

21           (1) The position holder with respect to the special fuel is a  
22 person other than the terminal operator and is not a licensee;

23           (2) The terminal operator is not a licensee;

24           (3) The position holder has an expired internal revenue service  
25 notification certificate issued under chapter 26, C.F.R. Part 48; or

26           (4) The terminal operator had reason to believe that information on  
27 the notification certificate was false.

28           **Sec. 207.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to  
29 read as follows:

30           A terminal operator is jointly and severally liable for remitting  
31 the tax imposed under RCW 82.38.030(~~((+1))~~) if, in connection with the  
32 removal of special fuel that is not dyed or marked in accordance with  
33 internal revenue service requirements, the terminal operator provides  
34 a person with a bill of lading, shipping paper, or similar document  
35 indicating that the special fuel is dyed or marked in accordance with  
36 internal revenue service requirements.

1       **Sec. 208.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to  
2 read as follows:

3       In order to encourage the use of nonpolluting fuels, an annual  
4 license fee in lieu of the tax imposed by RCW 82.38.030 shall be  
5 imposed upon the use of natural gas as defined in this chapter or on  
6 liquified petroleum gas, commonly called propane, which is used in any  
7 motor vehicle, as defined in RCW 46.04.320, which shall be based upon  
8 the following schedule as adjusted by the formula set out below:

9	VEHICLE TONNAGE (GVW)	FEE
10	0 - 6,000	\$ 45
11	6,001 - 10,000	\$ 45
12	10,001 - 18,000	\$ 80
13	18,001 - 28,000	\$110
14	28,001 - 36,000	\$150
15	36,001 and above	\$250

16       To determine the actual annual license fee imposed by this section  
17 for a registration year, the appropriate dollar amount set out in the  
18 above schedule shall be multiplied by the ((~~motor vehicle~~)) special  
19 fuel tax rate ((~~in cents per gallon~~)) as established by RCW  
20 ((~~82.36.025~~)) 82.38.030 effective on July 1st of the preceding calendar  
21 year and the product thereof shall be divided by 12 cents.

22       The department of licensing, in addition to the foregoing fee,  
23 shall charge a further fee of five dollars as a handling charge for  
24 each license issued.

25       The director of licensing shall be authorized to prorate the  
26 vehicle tonnage fee so that the annual license required by this section  
27 will correspond with the staggered vehicle licensing system.

28       A decal or other identifying device issued upon payment of these  
29 annual fees shall be displayed as prescribed by the department as  
30 authority to purchase this fuel.

31       Persons selling or dispensing natural gas or propane may not sell  
32 or dispense this fuel for their own use or the use of others into tanks  
33 of vehicles powered by this fuel which do not display a valid decal or  
34 other identifying device as provided in this section.

35       Vehicles registered in jurisdictions outside the state of  
36 Washington are exempt from this section.

1 Any person selling or dispensing natural gas or propane into the  
2 tank of a motor vehicle powered by this fuel, except as prescribed in  
3 this chapter, is subject to the penalty provisions of this chapter.

4 **Sec. 209.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273  
5 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended  
6 to read as follows:

7 (1) All earnings of investments of surplus balances in the state  
8 treasury shall be deposited to the treasury income account, which  
9 account is hereby established in the state treasury.

10 (2) The treasury income account shall be utilized to pay or receive  
11 funds associated with federal programs as required by the federal cash  
12 management improvement act of 1990. The treasury income account is  
13 subject in all respects to chapter 43.88 RCW, but no appropriation is  
14 required for refunds or allocations of interest earnings required by  
15 the cash management improvement act. Refunds of interest to the  
16 federal treasury required under the cash management improvement act  
17 fall under RCW 43.88.180 and shall not require appropriation. The  
18 office of financial management shall determine the amounts due to or  
19 from the federal government pursuant to the cash management improvement  
20 act. The office of financial management may direct transfers of funds  
21 between accounts as deemed necessary to implement the provisions of the  
22 cash management improvement act, and this subsection. Refunds or  
23 allocations shall occur prior to the distributions of earnings set  
24 forth in subsection (4) of this section.

25 (3) Except for the provisions of RCW 43.84.160, the treasury income  
26 account may be utilized for the payment of purchased banking services  
27 on behalf of treasury funds including, but not limited to, depository,  
28 safekeeping, and disbursement functions for the state treasury and  
29 affected state agencies. The treasury income account is subject in all  
30 respects to chapter 43.88 RCW, but no appropriation is required for  
31 payments to financial institutions. Payments shall occur prior to  
32 distribution of earnings set forth in subsection (4) of this section.

33 (4) Monthly, the state treasurer shall distribute the earnings  
34 credited to the treasury income account. The state treasurer shall  
35 credit the general fund with all the earnings credited to the treasury  
36 income account except:

37 (a) The following accounts and funds shall receive their  
38 proportionate share of earnings based upon each account's and fund's

1 average daily balance for the period: The capitol building  
2 construction account, the Cedar River channel construction and  
3 operation account, the Central Washington University capital projects  
4 account, the charitable, educational, penal and reformatory  
5 institutions account, the common school construction fund, the county  
6 criminal justice assistance account, the county sales and use tax  
7 equalization account, the data processing building construction  
8 account, the deferred compensation administrative account, the deferred  
9 compensation principal account, the department of retirement systems  
10 expense account, the drinking water assistance account, the drinking  
11 water assistance administrative account, the drinking water assistance  
12 repayment account, the Eastern Washington University capital projects  
13 account, the education construction fund, the emergency reserve fund,  
14 the federal forest revolving account, the health services account, the  
15 public health services account, the health system capacity account, the  
16 personal health services account, the state higher education  
17 construction account, the higher education construction account, the  
18 highway infrastructure account, the industrial insurance premium refund  
19 account, the judges' retirement account, the judicial retirement  
20 administrative account, the judicial retirement principal account, the  
21 local leasehold excise tax account, the local real estate excise tax  
22 account, the local sales and use tax account, the medical aid account,  
23 the mobile home park relocation fund, the multimodal transportation  
24 account, the municipal criminal justice assistance account, the  
25 municipal sales and use tax equalization account, the natural resources  
26 deposit account, the oyster reserve land account, the perpetual  
27 surveillance and maintenance account, the public employees' retirement  
28 system plan 1 account, the public employees' retirement system combined  
29 plan 2 and plan 3 account, the public health supplemental account, the  
30 Puyallup tribal settlement account, the resource management cost  
31 account, the site closure account, the special wildlife account, the  
32 state employees' insurance account, the state employees' insurance  
33 reserve account, the state investment board expense account, the state  
34 investment board commingled trust fund accounts, the supplemental  
35 pension account, the teachers' retirement system plan 1 account, the  
36 teachers' retirement system combined plan 2 and plan 3 account, the  
37 tobacco prevention and control account, the tobacco settlement account,  
38 the transportation infrastructure account, the tuition recovery trust  
39 fund, the University of Washington bond retirement fund, the University

1 of Washington building account, the volunteer fire fighters' and  
2 reserve officers' relief and pension principal fund, the volunteer fire  
3 fighters' and reserve officers' administrative fund, the Washington  
4 fruit express account, the Washington judicial retirement system  
5 account, the Washington law enforcement officers' and fire fighters'  
6 system plan 1 retirement account, the Washington law enforcement  
7 officers' and fire fighters' system plan 2 retirement account, the  
8 Washington school employees' retirement system combined plan 2 and 3  
9 account, the Washington state health insurance pool account, the  
10 Washington state patrol retirement account, the Washington State  
11 University building account, the Washington State University bond  
12 retirement fund, the water pollution control revolving fund, and the  
13 Western Washington University capital projects account. Earnings  
14 derived from investing balances of the agricultural permanent fund, the  
15 normal school permanent fund, the permanent common school fund, the  
16 scientific permanent fund, and the state university permanent fund  
17 shall be allocated to their respective beneficiary accounts. All  
18 earnings to be distributed under this subsection (4)(a) shall first be  
19 reduced by the allocation to the state treasurer's service fund  
20 pursuant to RCW 43.08.190.

21 (b) The following accounts and funds shall receive eighty percent  
22 of their proportionate share of earnings based upon each account's or  
23 fund's average daily balance for the period: The aeronautics account,  
24 the aircraft search and rescue account, the county arterial  
25 preservation account, the department of licensing services account, the  
26 essential rail assistance account, the ferry bond retirement fund, the  
27 freight mobility strategic investment account, the grade crossing  
28 protective fund, the high capacity transportation account, the highway  
29 bond retirement fund, the highway safety account, the motor vehicle  
30 fund, the motorcycle safety education account, the pilotage account,  
31 the public transportation systems account, the Puget Sound capital  
32 construction account, the Puget Sound ferry operations account, the  
33 recreational vehicle account, the rural arterial trust account, the  
34 safety and education account, the special category C account, the state  
35 patrol highway account, the transportation equipment fund, the  
36 transportation fund, the transportation improvement account, the  
37 transportation improvement board bond retirement account, and the urban  
38 arterial trust account.

1 (5) In conformance with Article II, section 37 of the state  
2 Constitution, no treasury accounts or funds shall be allocated earnings  
3 without the specific affirmative directive of this section.

4 **PART III - SALES TAX ON MOTOR VEHICLES**

5 **Sec. 301.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each  
6 amended to read as follows:

7 (1) There is levied and there shall be collected a tax on each  
8 retail sale in this state equal to six and five-tenths percent of the  
9 selling price. A portion of the tax collected under this subsection  
10 (1) on each retail sale of a motor vehicle, as defined in RCW  
11 46.04.320, must be deposited in the multimodal transportation account  
12 created in RCW 47.66.070. The amounts deposited in the multimodal  
13 transportation account will be:

14 (a) Effective July 1, 2005, through June 30, 2006, one-tenth of one  
15 percent of the selling price;

16 (b) Effective July 1, 2006, through June 30, 2007, two-tenths of  
17 one percent of the selling price;

18 (c) Effective July 1, 2007, through June 30, 2008, three-tenths of  
19 one percent of the selling price;

20 (d) Effective July 1, 2008, through June 30, 2009, four-tenths of  
21 one percent of the selling price;

22 (e) Effective July 1, 2009, and thereafter, five-tenths of one  
23 percent of the selling price.

24 (2) There is levied and there shall be collected an additional tax  
25 on each retail car rental, regardless of whether the vehicle is  
26 licensed in this state, equal to five and nine-tenths percent of the  
27 selling price. The revenue collected under this subsection shall be  
28 deposited in the multimodal transportation account created in RCW  
29 47.66.070.

30 (3) The taxes imposed under this chapter shall apply to successive  
31 retail sales of the same property.

32 (4) The rates provided in this section apply to taxes imposed under  
33 chapter 82.12 RCW as provided in RCW 82.12.020.

34 **Sec. 302.** RCW 82.12.020 and 1999 c 358 s 9 are each amended to  
35 read as follows:

1 (1) There is hereby levied and there shall be collected from every  
2 person in this state a tax or excise for the privilege of using within  
3 this state as a consumer: (a) Any article of tangible personal  
4 property purchased at retail, or acquired by lease, gift, repossession,  
5 or bailment, or extracted or produced or manufactured by the person so  
6 using the same, or otherwise furnished to a person engaged in any  
7 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned  
8 software, regardless of the method of delivery, but excluding canned  
9 software that is either provided free of charge or is provided for  
10 temporary use in viewing information, or both.

11 (2) This tax shall apply to the use of every service defined as a  
12 retail sale in RCW 82.04.050(3)(a) and the use of every article of  
13 tangible personal property, including property acquired at a casual or  
14 isolated sale, and including byproducts used by the manufacturer  
15 thereof, except as hereinafter provided, irrespective of whether the  
16 article or similar articles are manufactured or are available for  
17 purchase within this state.

18 (3) Except as provided in RCW 82.12.0252, payment by one purchaser  
19 or user of tangible personal property or service of the tax imposed by  
20 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any  
21 other purchaser or user of the same property or service from the taxes  
22 imposed by such chapters.

23 (4) The tax shall be levied and collected in an amount equal to the  
24 value of the article used by the taxpayer multiplied by the rates in  
25 effect for the retail sales tax under RCW 82.08.020.

26 (5) A portion of the use tax revenue collected on the rate provided  
27 in RCW 82.08.020(1) (a) through (e) will be deposited in the multimodal  
28 transportation account under RCW 47.66.070.

29 NEW SECTION. Sec. 303. A new section is added to chapter 82.32  
30 RCW to read as follows:

31 (1) The tax imposed and collected under chapters 82.08 and 82.12  
32 RCW on highway projects qualifying under this subsection (1), less any  
33 credits allowed under chapter 82.14 RCW, must be transferred to the  
34 multimodal transportation account under RCW 47.66.070. A highway  
35 project qualifies under this section if it is constructed in whole or  
36 in part with funds:

37 (a) Collected under RCW 82.36.025 (2) or (3); or

38 (b) Obtained through the sale of bonds authorized by this act.

1 (2) This transaction is exempt from the requirements in RCW  
2 43.135.035(4).

3 (3) The department of transportation shall report the amount of  
4 sales or use tax eligible for transfer under this section to the  
5 department of revenue.

6 **PART IV - BOND AUTHORIZATION**

7 NEW SECTION. **Sec. 401.** In order to provide funds necessary for  
8 the location, design, right of way, and construction of selected state  
9 and local highway improvements, there shall be issued and sold upon the  
10 request of the transportation commission a total of three billion five  
11 hundred million dollars of general obligation bonds of the state of  
12 Washington.

13 NEW SECTION. **Sec. 402.** Upon the request of the transportation  
14 commission, as appropriate, the state finance committee shall supervise  
15 and provide for the issuance, sale, and retirement of the bonds  
16 authorized by RCW 46.68.090 in accordance with chapter 39.42 RCW.  
17 Bonds authorized by section 401 of this act shall be sold in the  
18 manner, at time or times, in amounts, and at the price as the state  
19 finance committee shall determine. No bonds may be offered for sale  
20 without prior legislative appropriation of the net proceeds of the sale  
21 of the bonds.

22 The state finance committee shall consider the issuance of short-  
23 term obligations in lieu of long-term obligations for the purposes of  
24 more favorable interest rates, lower total interest costs, and  
25 increased marketability and for the purpose of retiring the bonds  
26 during the life of the project for which they were issued.

27 NEW SECTION. **Sec. 403.** The proceeds from the sale of bonds  
28 authorized by section 401 of this act shall be deposited in the motor  
29 vehicle fund. The proceeds shall be available only for the purposes  
30 enumerated in section 401 of this act, for the payment of bond  
31 anticipation notes, if any, and for the payment of bond issuance costs,  
32 including the costs of underwriting.

33 NEW SECTION. **Sec. 404.** Bonds issued under the authority of  
34 section 401 of this act shall distinctly state that they are a general

1 obligation of the state of Washington, shall pledge the full faith and  
2 credit of the state to the payment of the principal thereof and the  
3 interest thereon, and shall contain an unconditional promise to pay  
4 such principal and interest as the same shall become due. The  
5 principal and interest on the bonds shall be first payable from the  
6 proceeds of the state excise taxes on motor vehicle and special fuels  
7 imposed by chapters 82.36 and 82.38 RCW. Proceeds of these excise  
8 taxes are hereby pledged to the payment of any bonds and the interest  
9 thereon issued under the authority of RCW 47.10.843 through 47.10.848,  
10 and the legislature agrees to continue to impose these excise taxes on  
11 motor vehicle and special fuels in amounts sufficient to pay, when due,  
12 the principal and interest on all bonds issued under the authority of  
13 section 401 of this act.

14 NEW SECTION. **Sec. 405.** Both principal and interest on the bonds  
15 issued for the purposes of section 401 of this act shall be payable  
16 from the highway bond retirement fund. The state finance committee may  
17 provide that a special account be created in the fund to facilitate  
18 payment of the principal and interest. The state finance committee  
19 shall, on or before June 30th of each year, certify to the state  
20 treasurer the amount required for principal and interest on the bonds  
21 in accordance with the bond proceedings. The state treasurer shall  
22 withdraw revenues from the motor vehicle fund and deposit in the  
23 highway bond retirement fund, or a special account in the fund, such  
24 amounts, and at such times, as are required by the bond proceedings.

25 Any funds required for bond retirement or interest on the bonds  
26 authorized by section 401 of this act shall be taken from that portion  
27 of the motor vehicle fund that results from the imposition of excise  
28 taxes on motor vehicle and special fuels and that is, or may be,  
29 appropriated to the department of transportation for state highway  
30 purposes. Funds required shall never constitute a charge against any  
31 other allocations of motor vehicle fuel and special fuel tax revenues  
32 to the state, counties, cities, and towns unless the amount arising  
33 from excise taxes on motor vehicle and special fuels distributed to the  
34 state in the motor vehicle fund proves insufficient to meet the  
35 requirements for bond retirement or interest on any such bonds.

36 Any payments for bond retirement or interest on the bonds taken  
37 from other revenues from the motor vehicle fuel or special fuel taxes  
38 that are distributable to the state, counties, cities, and towns shall

1 be repaid from the first revenues from the motor vehicle fuel or  
2 special fuel taxes distributed to the motor vehicle fund not required  
3 for bond retirement or interest on the bonds.

4 NEW SECTION. **Sec. 406.** Bonds issued under the authority of  
5 section 401 of this act and this section and any other general  
6 obligation bonds of the state of Washington that have been or that may  
7 be authorized and that pledge motor vehicle and special fuels excise  
8 taxes for the payment of principal and interest thereon shall be an  
9 equal charge against the revenues from such motor vehicle and special  
10 fuels excise taxes.

11 NEW SECTION. **Sec. 407.** Sections 401 through 406 of this act are  
12 each added to chapter 47.10 RCW.

13 **PART V - REFERENDUM**

14 NEW SECTION. **Sec. 501.** (1) The secretary of state shall submit  
15 this act to the people for their adoption and ratification, or  
16 rejection, at a special election to be held in this state on or before  
17 June 20, 2002, in accordance with Article II, section 1 of the state  
18 Constitution and the laws adopted to facilitate its operation. The  
19 special election shall be limited to submission of this act to the  
20 people.

21 (2) If the people ratify this act, revenues generated shall be  
22 spent as detailed in House Bill No. . . . ., the 2001-03 state  
23 supplemental transportation budget. The primary emphasis of revenues  
24 raised shall be improving transportation safety, reducing congestion,  
25 and improving the movement of freight and goods. The legislature  
26 recognizes that the projects detailed in House Bill No. . . . . are  
27 based on assumptions that are beyond the legislature's control, such as  
28 availability of federal funds, interest rates, required public approval  
29 for certain projects, etc., and furthermore, that current laws  
30 authorize the state transportation commission to make necessary  
31 adjustments to the proposed projects as unforeseen circumstances may  
32 require. If additional funding for the projects contained in House  
33 Bill No. . . . . becomes available, the legislature urges the  
34 acceleration of project construction wherever possible.

1 (3) The attorney general shall prepare the explanatory statement  
2 required by RCW 29.81.250 and transmit that statement regarding the  
3 referendum to the secretary of state no later than the last Monday of  
4 April before the special election.

5 (4) The secretary of state shall prepare and distribute a voters'  
6 pamphlet addressing this referendum measure following the procedures  
7 and requirements of chapter 29.81 RCW, except that the secretary of  
8 state may establish different deadlines for the appointment of  
9 committees to draft arguments for and against the referendum, for  
10 submitting arguments for and against the referendum, and for submitting  
11 rebuttal statements of arguments for and against the referendum.

12 (5) A county auditor may conduct the voting at this special  
13 election in all precincts of the county by mail using the procedures  
14 set forth in chapter 29.36 RCW.

15 (6) Notwithstanding the provisions of RCW 29.62.020, the county  
16 canvassing board in each county shall canvass and certify the votes  
17 cast at this special election in that county to the secretary of state  
18 no later than the seventh day following the election. Notwithstanding  
19 the provisions of RCW 29.62.120, the secretary of state shall canvass  
20 and certify the returns from the counties no later than the ninth day  
21 following the special election.

22 (7) The secretary of state shall reimburse each county for the cost  
23 of conducting the special election in that county in the same manner as  
24 state primary and general election costs are reimbursed under RCW  
25 29.13.047 (1) and (3).

26 NEW SECTION. **Sec. 502.** If ratified by the people under section  
27 501 of this act, sections 101 and 102 of this act take effect October  
28 1, 2002.

29 NEW SECTION. **Sec. 503.** Section 501 of this act is necessary for  
30 the immediate preservation of the public peace, health, or safety, or  
31 support of the state government and its existing public institutions,  
32 and takes effect immediately."

33 Correct the title.

--- END ---

**EFFECT:** Provides for a transportation revenue package with the following components:

- ∅ Gas tax increase of 7 cents phased in, 4 cents on 10/1/02, 3 cents on 10/1/03;
- ∅ 20 increase in gross weight portion of combined licensing fee for vehicles over 10,000 pounds gross weight;
- ∅ Sales tax on projects funded with new transportation revenue transferred to multimodal transportation account;
- ∅ 0.5% of existing sales tax transferred to multimodal transportation account. Phased in in five 0.1% increments over five years;
- ∅ \$3.5 billion highway bond authorization;
- ∅ Referendum clause.